

LINDA LINGLE
GOVERNOR



STATE OF HAWAII
PUBLIC UTILITIES COMMISSION
DEPARTMENT OF BUDGET AND FINANCE
465 S. KING STREET, #103
HONOLULU, HAWAII 96813

CARLITO P. CALIBOSO
CHAIRMAN

JOHN E. COLE
COMMISSIONER

LESLIE H. KONDO
COMMISSIONER

Telephone: (808) 586-2020
Facsimile: (808) 586-2066

e-mail: Hawaii.PUC@hawaii.gov

TRANSMITTAL MEMORANDUM

Date: September 15, 2009

RE: Docket No. 2009-0048, Molokai Public Utilities, Inc.

VIA: Mail ☒ Fax ☐ Pages: Courier ☐ Hand Delivery ☐ Email ☐

TO:	Phone	Fax	Email
Michael H. Lau, Esq. Yvonne Y. Izu, Esq. Sandra L. Wilhide, Esq. Moriwara Lau & Fong LLP 841 Bishop Street Honolulu, Hawaii 96813 Catherine P. Awakuni Executive Director Department of Commerce and Consumer Affairs Division of Consumer Advocacy P. O. Box 541 Honolulu, Hawaii 96809			
c: Peter A. Nicholas Molokai Public Utilities, Inc. c/o Molokai Properties Limited 745 Fort Street Mall, Suite 600 Honolulu, Hawaii 96813			
FROM: Michael Azama <i>M. Azama</i> Commission Counsel			

TRANSMITTING:

Originals	Copies	Date	Description
	X	09/15/09	Electronic mail from David Hubka

TRANSMITTED FOR:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Your Information and Files | <input type="checkbox"/> Your Further Necessary Action |
| <input type="checkbox"/> Your Signature and Return | <input type="checkbox"/> Your Approval |
| <input type="checkbox"/> Your Signature and Forwarding | <input type="checkbox"/> Your Review and Comment |
| <input type="checkbox"/> As Noted Below | <input type="checkbox"/> Per Your Request |
| <input type="checkbox"/> Per Our Conversation | <input type="checkbox"/> SEE REMARKS BELOW |

REMARKS:



David Hubka
<dave_hubka@yahoo.com>
09/15/2009 10:11 AM

To Hawaii.PUC@hawaii.gov
cc
bcc

Subject Docket No. 2009-0048, Molokai Public Utilities, Inc. and
Docket No. 2009-0049, Wai'ola O Moloka'i, Inc.

To whom it may concern:

Thank you for reading and considering my inputs regarding the above docket numbers addressing the rate increase proposals on Molokai.

I am a half time resident of Molokai and a half time resident in California. I have been keeping up with the water rate increase proposals and the arguments for and against.

A very important aspect of this has not been adequately addressed, in my opinion. There have been assertions (which I claim are valid) that much of the rate increase required to keep the utilities marginally profitable is because the largest customer (their parent company) has left and is no longer consuming very much water as a property owner on Molokai. Even though they left as a business, they retained their property holdings there, much of which used to consume a very large percentage of the water on the West End of the island.

My assertion is that the huge effect this is having on the residual resident water users is mostly due to the billing being based solely on consumption. I have attached to this message a scan of my most recent bill from my water district here in California. I want to highlight for you in particular the line items "Fixed Charge" which is related to distribution cost and other fixed costs of the system, and "Renewal/replacement Charge" which collects a fixed amount from all connections to repair the system. As you can see, for my two-month billing cycle, this amounted to nearly 50% of the total bill. Also, note that the usage is tiered and so small users pay less than big consumers. However, I do not believe that the charges noted above are related to consumption but to the size of the meter and the locale etc.

My contention is that, if a similar plan were mandated for the Molokai utilities in question, the parent company that has abandoned the island would STILL BE LIABLE FOR THE FIXED AND MAINTENANCE COSTS even though their consumption is

nil because they still own property with viable system connections. Now, with little consumption, they are able to pay little if any water system costs in support of their own utilities, thereby claiming that for them to get a "fair profit" all costs and profit must come from remaining consumption based rate payers.

Please study my billing example attached and seriously consider this or a variation of this as an alternative that could be mandated for Molokai. This would better spread the fixed cost and repair cost more evenly and certainly to the utilities parent company, who has abandoned the island as a business, and are attempting to extract the full cost plus profit of water (both fixed and variable), from the few remaining users over the now much lower consumption basis. And the fixed and repair costs have not decreased much with their departure, as the consumption has.

Thank you for your consideration. Please forward this plus attachment to any and all parties necessary.

David Hubka
Paniolo Hale T4
Maunaloa, Molokai, HI 96770



water billing example.pdf



PLACER COUNTY WATER AGENCY
PO BOX 6570
AUBURN CA 95604-6570
www.pcwa.net

AUTOSCH 5-DIGIT 95677 1 PS5 56306RA10-A-1
127 1 AV 0.335



DAVID E HUBKA
4930 KEYSTONE CT
ROCKLIN CA 95677-2208



ACCOUNT INFORMATION

Account Number 000011540-000014736
Cycle-Route 05-40
Customer Class RESIDENTIAL
Service Address 4930 KEYSTONE CT ROCKLIN CA
Bill Date 09/10/2009
DUE DATE FOR CURRENT CHARGES 10/05/2009

ACCOUNT BALANCE

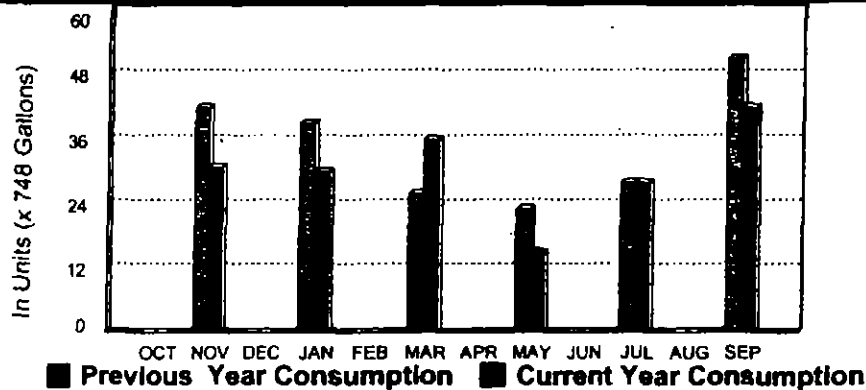
Last Bill Amount 91.27
Payments -91.27
Adjustments 0.00
Balance Forward 0.00
Current Charges 114.08
TOTAL AMOUNT DUE \$114.08

PLEASE SEE REVERSE SIDE FOR IMPORTANT INFORMATION

Payments not received within 30 days of bill date incur a 6% late fee

SERVICE	SERVICE PERIOD	METER SIZE	METER NUMBER	# DAYS	CURRENT READ	PREVIOUS READ	CONSUMPTION
WT	07/02/2009 - 09/02/2009	5/8 INCH	44466	62	554.00	512.00	42.00

COMPARE YOUR BILL CONSUMPTION (IN UNITS of WATER)



■ Previous Year Consumption ■ Current Year Consumption

A Unit of Water is 748 Gallons

Bill Period	Days	Units	Gallons	Gallons/Day
Current Year	62	42	31,416	507
Previous Year	63	51	38,148	606

CURRENT CHARGES

FIXED CHARGE		29.35
WATER USE 1ST TIER	8.27 units @ 1.25	10.34
WATER USE 2ND TIER	12.40 units @ 1.35	16.74
WATER USE 3RD TIER	20.67 units @ 1.44	29.76
WATER USE 4TH TIER	0.66 units @ 1.55	1.02
RENEWAL/REPLACE CHG		26.87
CURRENT CHARGES		\$114.08